GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2605
ANSWERED ON:16.03.2007
EXPENSES ON COLLECTION OF TAXES
Paraste Shri Dalpat Singh

Will the Minister of FINANCE be pleased to state:

(a) the comparative expenditure incurred on collection of taxes during the last three years, year-wise;

(b) whether expenditure on collection of taxes is gradually going up;

(c) if so, the reasons therefor; and

(d) the steps taken/being taken by the Union Government to reduce the cost of collection of taxes?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): The comparative expenditure incurred on collection of taxes during the last three years is as under:

Year	Expenditure incurred (Rs. in crores)	
	Direct taxes	Indirect taxes
2003-04	1050.26	1201.04
2004-05	1138.05	1272.27
2005-06	1193.95	1360.71

(b) & (c): Yes, Sir. The expenditure on collection of taxes has been going up on account of increase in payment towards salaries, etc., and effect of inflation on other expenditure components. It has also gone up due to increase in expenditure on advertising and information technology.

(d): Though the expenditure in respect of collection of taxes has been going up, the cost of collection defined as percentage of expenditure has consistently been coming down.